

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:4185
ANSWERED ON:24.08.2005
PAYMENT OF ACCESS DEFICIT CHARGE
Singh Shri Kirti Vardhan

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether private telecom operators are obliged to pay Access Deficit Charge (ADC) to the BSNL and MTNL;
- (b) if so, whether these charges are levied on subscribers who are the end users;
- (c) if so, whether this amounts to taxing the public twice for the same service; and
- (d) if so, the corrective measures taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) As per present Inter Connection Usage Charge (IUC) regime dated 6th January, 2005, private telecom operators are not required to pay Access Deficit Charge (ADC) to Bharat Sanchar Nigam Limited (BSNL) for calls originated from fixed line including Fixed Wireless Terminals. ADC funding to BSNL from private telecom operators comes from all calls originating from mobile network. Admissible ADC from all incoming International Long Distance (ILD) calls is also payable to BSNL by International Long Distance Service Providers. However, No ADC is applicable for intra circle mobile to mobile calls.

Further, no private telecom operator is required to pay the ADC to the Mahanagar Telephone Nigam Limited (MTNL).

(b) The burden of ADC is not always necessarily passed on to the end user since telecom tariffs are under forbearance (except that for rural areas for fixed services) and the service providers are free to define their own tariffs based on competitive market forces. ADC Regime has come into force from 01-05-2003 and per minute rate of ADC is continuously decreasing. It is also a fact that now the end users are required to pay much lower tariffs in comparison to what they were paying prior to implementation of IUC/ADC Regime.

(c) No, Sir.

(d) Does not arise in view of (c) above.